

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

SIGNIFY HOLDING B.V.,

Plaintiff,

Civil Action No. 1:23-cv-9649

v.

JURY TRIAL DEMANDED

FOHSE INC.,

Defendant.

COMPLAINT

Plaintiff Signify Holding B.V. (“Signify”), by and through its attorneys, Bond, Schoeneck & King, PLLC, for its Complaint against Defendant Fohse Inc. (“Fohse” or “Defendant”) alleges as follows:

PARTIES

1. Plaintiff Signify Holding B.V. is a corporation organized and existing under the laws of The Netherlands with its principal place of business at High Tech Campus 48 Eindhoven, The Netherlands.

2. Upon information and belief, Fohse is a domestic corporation organized under the laws of the State of Nevada with a place of business at 6280 Annie Oakley Dr., Las Vegas, Nevada 89120, and a registered agent at 4485 Plateau Rd., Reno, Nevada 89509.

NATURE OF THE ACTION

3. In this action, Signify seeks money damages against Fohse for breach of contract of the license agreement between Signify and Fohse.

JURISDICTION AND VENUE

4. The Court has diversity jurisdiction over this action pursuant to 28 U.S.C. § 1332(a). There is complete diversity between the parties, as Signify is a citizen of The Netherlands, and upon information and belief, Fohse is a citizen of the state of Nevada. The amount in controversy exceeds the sum or value of \$75,000, exclusive of interest and costs.

5. Upon information and belief, the Court has personal jurisdiction over Defendant through its consent to and waiver of objection to the jurisdiction of this Court. As alleged in the paragraphs below, Fohse and Signify entered into an agreement whereby Signify granted Fohse licenses to certain patents in exchange for the payment of royalties and other consideration. In that agreement, Fohse consented to the jurisdiction of the Federal District Court for the Southern District of New York, and further waived any objection to the jurisdiction or venue of this Court.

6. Additionally, upon information and belief, Defendant has regularly and systematically transacted business in New York, directly and/or through distributors. For example, Defendant's lighting products are offered and/or sold in the state of New York, including at least by Defendant's authorized retailers LI Hydro in Islandia, New York and Buffalo Roots Hydroponics in Buffalo, New York (<https://www.fohse.com/pages/store-locator>).

7. Venue is proper in the Southern District of New York pursuant to 28 U.S.C. § 1391(b) and because of Defendant's consent to and waiver of objection to venue in this Court.

FACTUAL BACKGROUND

8. Signify, formerly known as Philips Lighting, is the world's largest manufacturer of light-emitting diode ("LED") lighting products and a global market leader with recognized expertise in the development and application of innovative LED lighting products and solutions. Signify's LED lighting products have been installed and utilized throughout the world, for

example, on the Empire State Building (<https://www.signify.com/en-us/our-company/news/press-release-archive/2012/20121127-empire-state-building>).



9. Signify has been recognized as a leading innovator in the field of LED lighting products and solutions. For example, Signify (then known as Philips Lighting) won the U.S. Department of Energy's prestigious L-Prize for its development of a 60-watt LED replacement bulb. (<https://www.signify.com/global/our-company/news/press-release-archive/2011/20110803-iprize>). Most recently, Signify was announced as having two winning entries for Phase Two of the L-Prize competition. (<https://www.energy.gov/eere/articles/us-department-energy-announces-winners-l-prize-prototype-phase>).

10. To protect its intellectual property resulting from its significant investments, Signify applied for and obtained numerous patents directed to various LED inventions and

technologies. For example, Signify has thousands of patents and hundreds of pending patent applications covering technologies related to LED luminaires and retrofit bulbs.

11. Signify has developed a license program under which companies using Signify's patents may be able to obtain a license. Currently, more than 1500 companies have taken licenses under this program.

12. On or about January 1, 2022, Signify and Fohse entered into a Patent License Agreement ("License Agreement") granting Fohse a patent license under the terms and conditions of the License Agreement. In consideration for this patent license, Fohse agreed to, among other things, submit quarterly Reporting Forms and pay associated royalties for Royalty Bearing Products, as defined by the License Agreement.

13. The terms and conditions of the License Agreement are subject to confidentiality.

14. Upon information and belief, Fohse has obtained the benefit of the patent license under the License Agreement.

15. The License Agreement remains in force between Signify and Fohse.

16. In consideration for a retroactive patent license under the terms and conditions of the License Agreement, Fohse agreed to make two lump-sum payments to Signify. The second lump-sum payment was to be made on or before July 1, 2022, but Fohse has failed to make a full payment on this lump-sum, in violation of the terms of the License Agreement.

17. In the First Quarter of 2022, Fohse submitted the required Reporting Forms, but failed to make a full payment of the associated royalties due, in violation of the terms of the License Agreement. Further, for each Quarter spanning from the Second Quarter of 2022 to the Second Quarter of 2023, Fohse submitted the required Reporting Forms, but failed to pay any amount of the associated royalties due, in violation of the terms of the License Agreement.

18. Upon information and belief, Fohse has continued to make, have made, and/or sell products within the scope of the license afforded by the License Agreement.

19. In addition to Fohse's failure to pay the associated royalties due for each Quarter spanning from the First Quarter of 2022 to the Second Quarter of 2023, Fohse failed to submit the required Reporting Form for the Third Quarter of 2023. Upon information and belief, the royalties for the Third Quarter of 2023 are estimated to be of similar magnitude to the royalties for each of the Quarters spanning from First Quarter of 2022 to the Second Quarter of 2023.

20. Fohse agreed to an audit protocol confirming that quarterly Reporting Forms, as defined in the License Agreement, submitted by Fohse are true, complete and accurate in every respect. Additionally, Signify has the right to inspect the books and records of Fohse.

21. Under the terms of the License Agreement, Fohse is required to submit, once per year, a written annual statement to Signify by its CFO or accountant confirming that the quarterly Reporting Forms previously submitted are true, complete, and accurate. Fohse has failed to submit such a written annual statement.

22. Signify has duly demanded that Fohse comply with the terms of the License Agreement, pay the royalties submitted on prior Reporting Forms, fulfill its ongoing obligation to timely submit the required Reporting Forms, and pay all royalties due.

23. Fohse has failed to live up to its obligations under the License Agreement, for example, by failing to provide timely reports and/or a written annual statement required by the License Agreement, and by failing to pay the required royalties to Signify.

24. Fohse has acknowledged that it owes royalties to Signify under the License Agreement, but has failed to remedy its breaches of the License Agreement, and Signify has been damaged, and continues to be damaged, by such breaches.

FIRST CLAIM FOR RELIEF
(Breach of Contract)

25. Signify repeats and incorporates paragraphs 1 through 24 as if set forth in full here.

26. The License Agreement is a valid, binding, and enforceable contract.

27. Signify has and continues to perform under the License Agreement.

28. Upon information and belief, Fohse has materially breached the License Agreement by, among other things, failing to provide timely reports and a written annual statement required by the License Agreement, and failing to pay the required royalties due to Signify under the License Agreement.

29. Upon information and belief, Fohse continues to materially breach the License Agreement by, among other things, failing to timely report and submit payment for sales covered by the scope of the License Agreement.

30. As a result of Fohse's material breaches of the License Agreement, Signify has been damaged, which damages are the natural and proximate consequence of Fohse's breach of the License Agreement, in an amount to be determined at trial, but no less than \$870,000 (US). Additionally, Fohse is obligated to pay interest under the License Agreement, in an amount to be determined at trial, currently calculated at over \$65,000 (US).

31. Signify seeks a formal accounting of all revenues received by Fohse in connection with its LED lighting products, beginning from January 1, 2022, to determine the full extent of Fohse's breach of the License Agreement.

PRAYER FOR RELIEF

WHEREFORE, Signify prays that the Court enter judgment against Defendant, as follows:

- (1) Awarding money damages to Signify on its First Claim for Relief in amount to be proven at trial;
- (2) Ordering an accounting of revenues received by Defendant in connection with its LED lighting products;
- (3) Awarding attorneys' fees, costs, and interest to Signify; and
- (4) Awarding such other and further relief as the Court deems just and proper.

DEMAND FOR JURY TRIAL

Signify demands trial by jury on all issues so triable.

Dated: November 2, 2023

Respectfully submitted,

By: /s/ Jeremy P. Occek

Jeremy P. Occek
BOND, SCHOENECK & KING, PLLC
200 Delaware Avenue
Buffalo, New York 14202
Telephone: (716) 416-7037
Email: jpoczek@bsk.com

***COUNSEL FOR PLAINTIFF
SIGNIFY HOLDING B.V.***